By the Committee on Natural Resources; and Senators Brown-Waite and Constantine

312-1910-02

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A bill to be entitled An act relating to water-supply policy; amending s. 163.3177, F.S.; specifying additional requirements for local comprehensive plans relating to potable water facilities; requiring local governments to consider the water management district's regional water supply plans in the potable-water element; amending s. 163.3191, F.S., relating to evaluation and appraisal of comprehensive plans; requiring an evaluation of the availability of potable water and whether future water-supply-development needs are addressed in the capital-improvements element; amending s. 403.064, F.S.; requiring the reuse of reclaimed water when feasible; requiring the dissemination of public information regarding the status of major water sources; amending s. 403.1835, F.S.; providing for below-market interest rate loans to qualified entities; repealing s. 373.498, F.S., relating to disbursements from the water resources development account; amending s. 367.022, F.S.; providing an exemption from regulation by the Florida Public Service Commission for certain water suppliers who provide nonpotable water for fireflow; amending s. 373.1961, F.S.; providing requirements for disbursements for alternative water supply projects; repealing s. 403.804(3), F.S., relating to obsolete provisions concerning grants for water and

wastewater facilities; providing a legislative finding that the linkage of land use and water supply planning is of great public importance; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

- Section 1. Paragraph (a) of subsection (3), paragraph (a) of subsection (4), and paragraphs (c), (d), and (h) of subsection (6) of section 163.3177, Florida Statutes, are amended to read:
- 163.3177 Required and optional elements of comprehensive plan; studies and surveys.--
- (3)(a) The comprehensive plan shall contain a capital improvements element designed to consider the need for and the location of public facilities in order to encourage the efficient utilization of such facilities and set forth:
- 1. A component which outlines principles for construction, extension, or increase in capacity of public facilities, including potable water facilities compatible with the applicable regional water supply plan developed pursuant to s. 373.0361, as well as a component which outlines principles for correcting existing public facility deficiencies, which are necessary to implement the comprehensive plan. The components shall cover at least a 5-year period.
- 2. Estimated public facility costs, including a delineation of when facilities will be needed, the general location of the facilities, and projected revenue sources to fund the facilities.

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- Standards to ensure the availability of public facilities and the adequacy of those facilities including acceptable levels of service.
 - 4. Standards for the management of debt.
- (4)(a) Coordination of the local comprehensive plan with the comprehensive plans of adjacent municipalities, the county, adjacent counties, or the region; with the appropriate water management district's regional water supply plans approved pursuant to s. 373.0361; with adopted rules pertaining to designated areas of critical state concern; and with the state comprehensive plan shall be a major objective of the local comprehensive planning process. To that end, in the preparation of a comprehensive plan or element thereof, and in the comprehensive plan or element as adopted, the governing body shall include a specific policy statement indicating the relationship of the proposed development of the area to the comprehensive plans of adjacent municipalities, the county, adjacent counties, or the region and to the state comprehensive plan, as the case may require and as such adopted plans or plans in preparation may exist.
- (b) When all or a portion of the land in a local government jurisdiction is or becomes part of a designated area of critical state concern, the local government shall clearly identify those portions of the local comprehensive plan that shall be applicable to the critical area and shall indicate the relationship of the proposed development of the area to the rules for the area of critical state concern.
- (6) In addition to the requirements of subsections (1)-(5), the comprehensive plan shall include the following elements:

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(c) A general sanitary sewer, solid waste, drainage, potable water, and natural groundwater aquifer recharge element correlated to principles and guidelines for future land use, indicating ways to provide for future potable water, drainage, sanitary sewer, solid waste, and aquifer recharge protection requirements for the area. The element may be a detailed engineering plan including a topographic map depicting areas of prime groundwater recharge. The element shall describe the problems and needs and the general facilities that will be required for solution of the problems and needs. The element shall also include a topographic map depicting any areas adopted by a regional water management district as prime groundwater recharge areas for the Floridan or Biscayne aquifers, pursuant to s. 373.0395. These areas shall be given special consideration when the local government is engaged in zoning or considering future land use for said designated areas. For areas served by septic tanks, soil surveys shall be provided which indicate the suitability of soils for septic tanks. By July 1, 2007, or the Evaluation and Appraisal Report adoption deadline established for the local government pursuant to s. 163.3191(a), whichever date occurs first, the element must consider the appropriate water management district's regional water supply plan approved pursuant to s. 373.0361. The element must include a work plan, covering at least a 10-year planning period, for building any water supply facilities that are identified in the element as necessary to serve existing and new development and for which the local government is responsible. (d) A conservation element for the conservation, use,

and protection of natural resources in the area, including

31 | air, water, water recharge areas, wetlands, waterwells,

estuarine marshes, soils, beaches, shores, flood plains, rivers, bays, lakes, harbors, forests, fisheries and wildlife, marine habitat, minerals, and other natural and environmental resources. Local governments shall assess their current, as well as projected, water needs and sources for at least a 10-year period, considering the appropriate regional water supply plan approved pursuant to s. 373.0361 or the district water management plan approved pursuant to s. 373.036(2), in the absence of an approved regional water supply plan. This information shall be submitted to the appropriate agencies. The land use map or map series contained in the future land use element shall generally identify and depict the following:

- 1. Existing and planned waterwells and cones of influence where applicable.
 - 2. Beaches and shores, including estuarine systems.
 - 3. Rivers, bays, lakes, flood plains, and harbors.
 - 4. Wetlands.
 - 5. Minerals and soils.

The land uses identified on such maps shall be consistent with applicable state law and rules.

(h)1. An intergovernmental coordination element showing relationships and stating principles and guidelines to be used in the accomplishment of coordination of the adopted comprehensive plan with the plans of school boards and other units of local government providing services but not having regulatory authority over the use of land, with the comprehensive plans of adjacent municipalities, the county, adjacent counties, or the region, and with the state comprehensive plan, and with the applicable regional water supply plan approved pursuant to s. 373.0361, as the case may

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require and as such adopted plans or plans in preparation may exist. This element of the local comprehensive plan shall demonstrate consideration of the particular effects of the local plan, when adopted, upon the development of adjacent municipalities, the county, adjacent counties, or the region, or upon the state comprehensive plan, as the case may require.

- The intergovernmental coordination element shall provide for procedures to identify and implement joint planning areas, especially for the purpose of annexation, municipal incorporation, and joint infrastructure service areas.
- The intergovernmental coordination element shall provide for recognition of campus master plans prepared pursuant to s. 240.155.
- c. The intergovernmental coordination element may provide for a voluntary dispute resolution process as established pursuant to s. 186.509 for bringing to closure in a timely manner intergovernmental disputes. A local government may develop and use an alternative local dispute resolution process for this purpose.
- The intergovernmental coordination element shall further state principles and guidelines to be used in the accomplishment of coordination of the adopted comprehensive plan with the plans of school boards and other units of local government providing facilities and services but not having regulatory authority over the use of land. In addition, the intergovernmental coordination element shall describe joint processes for collaborative planning and decisionmaking on population projections and public school siting, the location and extension of public facilities subject to concurrency, and 31 siting facilities with countywide significance, including

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locally unwanted land uses whose nature and identity are established in an agreement. Within 1 year of adopting their intergovernmental coordination elements, each county, all the municipalities within that county, the district school board, and any unit of local government service providers in that county shall establish by interlocal or other formal agreement executed by all affected entities, the joint processes described in this subparagraph consistent with their adopted intergovernmental coordination elements.

- To foster coordination between special districts and local general-purpose governments as local general-purpose governments implement local comprehensive plans, each independent special district must submit a public facilities report to the appropriate local government as required by s. 189.415.
- The state land planning agency shall establish a schedule for phased completion and transmittal of plan amendments to implement subparagraphs 1., 2., and 3. from all jurisdictions so as to accomplish their adoption by December 31, 1999. A local government may complete and transmit its plan amendments to carry out these provisions prior to the scheduled date established by the state land planning agency. The plan amendments are exempt from the provisions of s. 163.3187(1).

Section 2. Paragraph (1) is added to subsection (2) of section 163.3191, Florida Statutes, to read:

- 163.3191 Evaluation and appraisal of comprehensive plan.--
- The report shall present an evaluation and assessment of the comprehensive plan and shall contain 31 appropriate statements to update the comprehensive plan,

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including, but not limited to, words, maps, illustrations, or other media, related to:

(1) The appropriate water management district's regional water supply plan approved pursuant to s. 373.0361. The potable water element must be revised to include a work plan, covering at least a 10-year planning period for building any water supply facilities that are identified in the element as necessary to serve existing and new development and for which the local government is responsible.

Section 3. Section 403.064, Florida Statutes, is amended to read:

403.064 Reuse of reclaimed water.--

- (1) The encouragement and promotion of water conservation, and reuse of reclaimed water, as defined by the department, are state objectives and are considered to be in the public interest. The Legislature finds that the reuse of reclaimed water is a critical component of meeting the state's existing and future water supply needs while sustaining natural systems. The Legislature further finds that for those wastewater treatment plants permitted and operated under an approved reuse program by the department, the reclaimed water shall be considered environmentally acceptable and not a threat to public health and safety.
- (2) All applicants for permits to construct or operate a domestic wastewater treatment facility located within, serving a population located within, or discharging within a water resource caution area shall prepare a reuse feasibility study as part of their application for the permit. Reuse feasibility studies shall be prepared in accordance with department guidelines adopted by rule and shall include, but 31 | are not limited to:

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- (a) Evaluation of monetary costs and benefits for several levels and types of reuse.
- (b) Evaluation of water savings if reuse is implemented.
- (c) Evaluation of rates and fees necessary to implement reuse.
- (d) Evaluation of environmental and water resource benefits associated with reuse.
- (e) Evaluation of economic, environmental, and technical constraints.
- (f) A schedule for implementation of reuse. The schedule shall consider phased implementation.
- (3) The permit applicant shall prepare a plan of study for the reuse feasibility study consistent with the reuse feasibility study guidelines adopted by department rule. The plan of study shall include detailed descriptions of applicable treatment and water supply alternatives to be evaluated and the methods of analysis to be used. The plan of study shall be submitted to the department for review and approval.
- (4) (4) (3) The study required under subsection (2) shall be performed by the applicant, and, if the study shows that the reuse is feasible, the permitting agency must give significant consideration to its implementation the applicant's determination of feasibility is final if the study complies with the requirements of subsections subsection (2) and (3).
 - (5) (4) A reuse feasibility study is not required if:
- (a) The domestic wastewater treatment facility has an existing or proposed permitted or design capacity less than 31 0.1 million gallons per day; or

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The permitted reuse capacity equals or exceeds the total permitted capacity of the domestic wastewater treatment facility.

(6) A reuse feasibility study prepared under subsection (2) satisfies a water management district requirement to conduct a reuse feasibility study imposed on a local government or utility that has responsibility for wastewater management.

(7) Local governments may allow the use of reclaimed water for inside activities, including, but not limited to, toilet flushing, fire protection, and decorative water features, as well as for outdoor uses, provided the reclaimed water is from domestic wastewater treatment facilities which are permitted, constructed, and operated in accordance with department rules.

(8) (8) (7) Permits issued by the department for domestic wastewater treatment facilities shall be consistent with requirements for reuse included in applicable consumptive use permits issued by the water management district, if such requirements are consistent with department rules governing reuse of reclaimed water. This subsection applies only to domestic wastewater treatment facilities which are located within, or serve a population located within, or discharge within water resource caution areas and are owned, operated, or controlled by a local government or utility which has responsibility for water supply and wastewater management.

(9)(8) Local governments may and are encouraged to implement programs for the reuse of reclaimed water. Nothing in this chapter shall be construed to prohibit or preempt such local reuse programs.

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(10) (10) (9) A local government that implements a reuse program under this section shall be allowed to allocate the costs in a reasonable manner.

(11)(10) Pursuant to chapter 367, the Florida Public Service Commission shall allow entities under its jurisdiction which conduct studies or implement reuse projects, including, but not limited to, any study required by subsection (2) or facilities used for reliability purposes for a reclaimed water reuse system, to recover the full, prudently incurred cost of such studies and facilities through their rate structure.

(12)(11) In issuing consumptive use permits, the permitting agency shall consider the local reuse program.

(13)(12) A local government shall require a developer, as a condition for obtaining a development order, to comply with the local reuse program.

(14) (13) If, After conducting a feasibility study under subsection (2), an applicant determines that reuse of reclaimed water is feasible, domestic wastewater treatment facilities that dispose of effluent by Class I deep well injection, as defined in 40 C.F.R. part 144.6(a), must implement reuse according to the schedule for implementation contained in the study conducted under subsection (2), to the degree that reuse is determined feasible, based upon the applicant's reuse feasibility study. Applicable permits issued by the department shall be consistent with the requirements of this subsection.

- (a) This subsection does not limit the use of a Class I deep well injection facility as backup for a reclaimed water reuse system.
- (b) This subsection applies only to domestic 31 | wastewater treatment facilities located within, serving a

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population located within, or discharging within a water resource caution area.

(15)(14) If, After conducting a feasibility study under subsection (2), an applicant determines that reuse of reclaimed water is feasible, domestic wastewater treatment facilities that dispose of effluent by surface water discharges or by land application methods must implement reuse according to the schedule for implementation contained in the study conducted under subsection (2), to the degree that reuse is determined feasible, based upon the applicant's reuse feasibility study. This subsection does not apply to surface water discharges or land application systems which are currently categorized as reuse under department rules. Applicable permits issued by the department shall be consistent with the requirements of this subsection.

- (a) This subsection does not limit the use of a surface water discharge or land application facility as backup for a reclaimed water reuse system.
- (b) This subsection applies only to domestic wastewater treatment facilities located within, serving a population located within, or discharging within a water resource caution area.

Section 4. In order to aid in the development of a better understanding of the unique surface and groundwater resources of this state, the water management districts shall develop an information program designed to provide information concerning existing hydrologic conditions of major surface and groundwater sources in this state and suggestions for good conservation practices within those areas. The program shall be developed by December 31, 2002. Beginning January 1, 2003, and on a regular basis no less than every 6 months thereafter,

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the information developed pursuant to this section shall be distributed to every member of the Florida Senate and the Florida House of Representatives and to local print and broadcast news organizations. Each water management district shall be responsible for the distribution of this information within its established geographic area.

Section 5. Paragraph (b) of subsection (3) of section 403.1835, Florida Statutes, is amended to read:

403.1835 Water pollution control financial assistance.--

- through any program authorized under s. 603 of the Federal Water Pollution Control Act (Clean Water Act), Pub. L. No. 92-500, as amended, including, but not limited to, making grants and loans, providing loan guarantees, purchasing loan insurance or other credit enhancements, and buying or refinancing local debt. This financial assistance must be administered in accordance with this section and applicable federal authorities. The department shall administer all programs operated from funds secured through the activities of the Florida Water Pollution Control Financing Corporation under s. 403.1837, to fulfill the purposes of this section.
- (b) The department may make or request the corporation to make loans, grants, and deposits to other entities eligible to participate in the financial assistance programs authorized under the Federal Water Pollution Control Act, or as a result of other federal action, which entities may pledge any revenue available to them to repay any funds borrowed. Notwithstanding s. 18.10, the department may make deposits to financial institutions which earn less than the prevailing rate for United States Treasury securities with corresponding

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maturities for the purpose of enabling those financial institutions to make below-market interest rate loans to entities qualified to receive loans under this section and the rules of the department.

Section 6. Subsection (11) of section 367.022, Florida Statutes, is amended to read:

367.022 Exemptions.--The following are not subject to regulation by the commission as a utility nor are they subject to the provisions of this chapter, except as expressly provided:

(11) Any person providing only nonpotable water for irrigation or fireflow purposes in a geographic area where potable water service is available from a governmentally or privately owned utility or a private well.

Section 7. Subsection (2) of section 373.1961, Florida Statutes, is amended to read:

373.1961 Water production.--

(2) The Legislature finds that, due to a combination of factors, vastly increased demands have been placed on natural supplies of fresh water, and that, absent increased development of alternative water supplies, such demands may increase in the future. The Legislature also finds that potential exists in the state for the production of significant quantities of alternative water supplies, including reclaimed water, and that water production includes the development of alternative water supplies, including reclaimed water, for appropriate uses. It is the intent of the Legislature that utilities develop reclaimed water systems, where reclaimed water is the most appropriate alternative water supply option, to deliver reclaimed water to 31 as many users as possible through the most cost-effective

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means, and to construct reclaimed water system infrastructure to their owned or operated properties and facilities where they have reclamation capability. It is also the intent of the Legislature that the water management districts which levy ad valorem taxes for water management purposes should share a percentage of those tax revenues with water providers and users, including local governments, water, wastewater, and reuse utilities, municipal, industrial, and agricultural water users, and other public and private water users, to be used to supplement other funding sources in the development of alternative water supplies. The Legislature finds that public moneys or services provided to private entities for such uses constitute public purposes which are in the public interest. In order to further the development and use of alternative water supply systems, including reclaimed water systems, the Legislature provides the following:

- (a) The governing boards of the water management districts where water resource caution areas have been designated shall include in their annual budgets an amount for the development of alternative water supply systems, including reclaimed water systems, pursuant to the requirements of this subsection. Beginning in 1996, such amounts shall be made available to water providers and users no later than December 31 of each year, through grants, matching grants, revolving loans, or the use of district lands or facilities pursuant to the requirements of this subsection and guidelines established by the districts.
- (b) It is the intent of the Legislature that for each reclaimed water utility, or any other utility, which receives funds pursuant to this subsection, the appropriate 31 rate-setting authorities should develop rate structures for

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30 31 all water, wastewater, and reclaimed water and other alternative water supply utilities in the service area of the funded utility, which accomplish the following:

- Provide meaningful progress toward the development and implementation of alternative water supply systems, including reclaimed water systems;
- Promote the conservation of fresh water withdrawn from natural systems;
- Provide for an appropriate distribution of costs for all water, wastewater, and alternative water supply utilities, including reclaimed water utilities, among all of the users of those utilities; and
- 4. Prohibit rate discrimination within classes of utility users.
- (c) In order to be eligible for funding pursuant to this subsection, a project must be consistent with a local government comprehensive plan and the governing body of the local government must require all appropriate new facilities within the project's service area to connect to and use the project's alternative water supplies. The appropriate local government must provide written notification to the appropriate district that the proposed project is consistent with the local government comprehensive plan.
- (d) Any and all revenues disbursed pursuant to this subsection shall be applied only for the payment of capital or infrastructure costs for the construction of alternative water supply systems that provide alternative water supplies for uses within one or more water resource caution areas.
- (e) By January 1 of each year, the governing boards shall make available written guidelines for the disbursal of

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revenues pursuant to this subsection. Such guidelines shall include at minimum:

- 1. An application process and a deadline for filing applications annually.
- 2. A process for determining project eligibility pursuant to the requirements of paragraphs (c) and (d).
- 3. A process and criteria for funding projects pursuant to this subsection that cross district boundaries or that serve more than one district.
- The governing board of each water management district shall establish an alternative water supplies grants advisory committee to recommend to the governing board projects for funding pursuant to this subsection. advisory committee members shall include, but not be limited to, one or more representatives of county, municipal, and investor-owned private utilities, and may include, but not be limited to, representatives of agricultural interests and environmental interests. Each committee member shall represent his or her interest group as a whole and shall not represent any specific entity. The committee shall apply the guidelines and project eligibility criteria established by the governing board in reviewing proposed projects. After one or more hearings to solicit public input on eligible projects, the committee shall rank the eligible projects and shall submit them to the governing board for final funding approval. The advisory committee may submit to the governing board more projects than the available grant money would fund.
- (g) All revenues made available annually pursuant to this subsection must be <u>encumbered</u> disbursed annually by the governing board if it approves projects sufficient to expend

the available revenues. <u>Funds must be disbursed within 36</u> months after encumbrance.

- (h) For purposes of this subsection, alternative water supplies are supplies of water that have been reclaimed after one or more public supply, municipal, industrial, commercial, or agricultural uses, or are supplies of stormwater, or brackish or salt water, that have been treated in accordance with applicable rules and standards sufficient to supply the intended use.
- (i) This subsection shall not be subject to the rulemaking requirements of chapter 120.
- (j) By January 30 of each year, each water management district shall submit an annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives which accounts for the disbursal of all budgeted amounts pursuant to this subsection. Such report shall describe all projects funded and shall account separately for moneys provided through grants, matching grants, revolving loans, and the use of district lands or facilities.
- (k) The Florida Public Service Commission shall allow entities under its jurisdiction constructing alternative water supply facilities, including but not limited to aquifer storage and recovery wells, to recover the full, prudently incurred cost of such facilities through their rate structure. Every component of an alternative water supply facility constructed by an investor-owned utility shall be recovered in current rates.
- Section 8. <u>Section 373.498 and subsection (3) of section 403.804</u>, Florida Statutes, are repealed.

1	Section 9. The Legislature finds that the linkage of
2	land use and water supply planning is a matter of great public
3	importance.
4	Section 10. This act shall take effect upon becoming a
5	law.
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7	STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
8	COMMITTEE SUBSTITUTE FOR Senate Bill 1182
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10	The committee substitute provides that the local comprehensive plan must contain a component that outlines principles for
11	construction, extension, or increase in capacity of public facilities, including potable water facilities compatible with
12	the applicable regional water supply plan.
13	By July 1, 2007, the potable water element must be based on data and analysis, including, but not limited to, the
14	appropriate water management district's regional water supply plan.
15	Provides that if the feasibility study for reuse performed by
16	the applicant shows that the reuse is feasible, the permitting agency must give significant consideration to its
17	implementation.
18	The water management districts are required to develop an information program designed to provide information on
19	existing hydrologic conditions of major surface and groundwater sources in Florida and suggestions for good
20	conservation practices within those areas. Provides for distribution of such information.
21	Allows water management district alternative water supplies
22	grants to be used for projects outside of water resource caution areas. All funds made available annually must be
23	encumbered annually. Funds must be disbursed within 36 months of encumbrance.
24	Provides that the Legislature finds that the linkage of land
25	use and water supply planning is a matter of great public importance.
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